

(Mr. PAUL asked and was given permission to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, I thank the gentleman for yielding to me this time.

Mr. Speaker, it is true that I believe in low tariffs, because it means low taxes. When we had that problem facing us at the time of the constitutional convention, we were able to correct that problem in one sentence, no tariff barriers between the States, and it has been very successful. That is not what we are talking about here today.

We are talking about a very complex treaty, an illegal treaty, an unconstitutional treaty. This is the size of the treaty. This is the size of the agreement. This has nothing to do with trying to reduce taxes. As a matter of fact, when this was passed in 1994, the thought was and the statement was made on the House floor that it would lower taxes; and that I would support.

The truth is, there was an offset for every tax that was lower. Even with NAFTA, one gentleman told me that he immediately benefitted from NAFTA, because the tariff barriers went down. But do you know what happened, there was a reclassification of his product, and his tax went back on because he was a little guy, but the big guys got the benefits.

So there is something very unfair about the system. It is an unconstitutional approach to managing trade. We cannot transfer the power to manage trade from the Congress to anyone. The Constitution is explicit. "Congress shall have the power to regulate foreign commerce." We cannot transfer that authority. Transferring that authority to the WTO is like the President transferring his authority as Commander in Chief to the Speaker of the House.

We cannot do that, and we cannot give up our responsibilities here in the House and relinquish it through a very complex treaty arrangement. Now, even if we had passed this as a treaty, it would not be legal, because we cannot amend the Constitution with a treaty, and that is essentially what is happening here.

What is happening here is the people have lost control and they know it, and that is why the people are speaking out. They are frustrated with us, and they are going to the streets. That is a bad sign. That is a bad sign that we are not representing the people.

The WTO represents the special interests not the people. Why is it that the chairman of the board of Chiquita banana decided in the last 3 years to give \$1.6 million to the politicians? Because he will have access to the U.S. Trade Commissioner. Now, it is not us who will vote, but it will be the non-elected officials at the WTO who will fight the battles in an unelected international bureaucracy, the WTO, which acts in secrecy.

□ 0930

There is something wrong with that. We only have a chance every 5 years to

debate this issue. The original bill allowed for 20 hours of debate. That is how important the issue was thought to be. Realizing how difficult that would be and the odds against that happening, I was quite willing to agree to 2 hours of debate. But that really is not enough, because this is a much more important issue than that.

I know the opposition, those who believe in international managed trade through the World Trade Organization, would not like to have this debate at all, because I think deep down inside they know there is something wrong with it. I think that they do not want to hear the opposition.

I am absolutely convinced that truth is on our side, that we will win the debate, disregarding the vote. But we have a greater responsibility here than just to count the votes. We have a responsibility to try our best to follow the law of the land, which is the Constitution; and quite clearly we do not have the authority to transfer this power to unelected bureaucrats at the WTO.

The WTO has ruled against us, stating that the Foreign Corporation tax sales credit is illegal; and we have promised by October 1 to rescind this tax benefit, and unfortunately we will. I would like to know from the Committee on Ways and Means when this is going to happen, how we are going to do it, because it is going to be a \$4 billion increase on our taxes. This will be passed on to the people. At the same time the European Community is preparing to file a case against the U.S. in the WTO to put a tax on international sales.

In Europe there is a tax on international sales. If you buy software over the Internet, you are charged a sales tax. The Europeans said they will absolutely not reduce that tax. In America we do not have that tax, which is wonderful. So for the Europeans, what would the logical thing be? If you can transfer value over the Internet, they buy their software from us. That is good. Since they refuse to lower their taxes, they are going to the WTO to get a ruling. Well, maybe they will rule against us. They may well call it a tax subsidy. What will we do? We are obligated, we are obligated under the rules, to accommodate and change our laws. We have made that promise. Some will say, Oh, no, we still have our sovereignty. We do not have to do it. What happens? Then the complaining nations go to the WTO who then manages a trade war. They permit it. This results in a continual, perpetual trade war managed by the WTO, something we need to seriously challenge.

Mr. MOAKLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, I thank the gentleman for yielding the time.

This debate is going to be constrained today in the House. It is being held at an unusually early hour, with little notice to Members, except at 11

o'clock last night; and the debate itself is constrained by this rule to 2 hours, although the legislation which passed this body, a lame duck Congress, I might add, without any amendments allowed, was to have up to 20 hours of debate.

This should be an important debate, with the United States running this year probably a \$300 billion-plus trade deficit, something that we cannot do forever without dire consequences, although the gentleman from California spoke eloquently earlier about how wonderful it is to import things. Of course, if you import more than you export, you are losing jobs and you are running up a tab with foreign nations, and the U.S. is running up a tab at a record rate, \$300 billion a year, probably \$80 billion with China this year. We are helping to finance their military expansion and other things that the dictators are doing over there with our addiction to their extraordinarily cheap exports. But there are problems that come with those cheap exports, in addition to the loss of U.S. jobs.

But what particularly concerns me here today is the fact that the debate is constrained; it is at an early hour, and this follows a pattern. The original adoption of the legislation that bound the U.S. to the WTO was passed in a lame duck Congress, when the Democrats had just lost the House of Representatives, and it was brought up under extraordinary procedures that allowed no amendment.

Luckily, that law has not been renewed, the so-called fast track legislation, allowing a President to negotiate an incredibly complex agreement and then bring it to Congress and say oh, you can't change anything, because if you change it that is the end of it and the U.S. will be an isolationist. That is what we are going to hear again today, you are either for an isolationist or you are for engagement. I am for engagement with the rest of the world and for trading with the rest of the world, but just not under these rules, not under the secretive WTO organization, not under an organization that resolves disputes between parties in secret tribunals.

Now, when I first brought this up during the original deliberations under GATT to then Mickey Kantor, the President's special Trade Representative, I said, You know, how can the U.S. bind itself to an organization that will resolve disputes in secret tribunals with no conflict of interest rules, to intervenors, not public scrutiny? How can the U.S. bind itself to that, and they can overturn our laws?

He said Oh, you don't understand. They can't overturn our laws. All they can do is fine us in perpetuity if we want to keep our laws.

I said, Oh, that is an interesting and subtle distinction.

But that is the way it works. And there a list of U.S. laws, thus far ones most people apparently do not care a lot about, Marine Mammal Protection

Act, Endangered Species Act, Clean Air Act.

But now there is one on the radar screen. They want us to change our tax laws, \$4 billion-a-year subsidy. Now the Europeans have won the decision against the United States that would mandate that the United States change its tax laws, a \$4 billion-a-year subsidy to the largest corporations in America.

Now people are getting a little bit excited about this process. Marine Mammal Act, you know, sea turtles, you know, Endangered Species Act, Clean Air Act. It did not register on the radar screen downtown with the Clinton administration. It would be different if we had a Democratic administration, I guess. But when it is a tax break for foreign corporations, now they are pulling out all stops.

Of course, the U.S. has had some victories. The U.S. banana growers, wait a minute, we do not grow bananas in the United States. Well, a large political contributor who owns control of the company that grows bananas under U.S. corporate ownership won a major decision against the Europeans, which is decimating the small growers in the Caribbean. The U.S. has forced the Europeans or is now penalizing the Europeans or fining the Europeans for not letting in hormone-laced beef. These are the kinds of decisions we are getting out of the WTO.

Now, this process needs to change. Even the President says it needs to change. He wants labor included. He wants environmental things included in the future in the WTO. But, guess what? This organization is not very likely to change. It would require a two-thirds or maybe a three-quarters vote, the rules are not quite clear, to change the charter in those ways, and, as we all noticed, the whole Seattle round fell apart just because the U.S. was asking that we might have a meaningless, nonbinding working group on labor rights or environmental considerations in the future.

This organization needs dramatic change. Unfortunately, the only choice we are going to be given here today is not to vote to begin a process of the U.S. pressuring the WTO for change or amending the WTO agreement itself, but an up or down vote under very constrained debate on whether or not the U.S. will be in the WTO.

I regret those conditions, and will urge Members to vote for the resolution.

Mr. MOAKLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I want to talk about internationalism. Many of us who have been critical of some aspects of the World Trade Organization and in particular have been critical of an international economic policy which consists entirely of freeing restraints on capital and paying no attention to the

problems it can call for worker rights and for environmental problems, we have been accused sometimes of not caring enough about poor people overseas.

Well, I think it is time to focus on the question of who is trying to alleviate poverty overseas in its fullest, because, without question, the single most important thing that this Congress will consider, dealing with poverty overseas, grinding, abject, life-threatening poverty, is international debt relief.

Last year the House Committee on Banking and Financial Services, on which I serve in a bipartisan way, brought forward legislation that created a framework within which the United States could grant debt relief to the poorest countries in the world, countries, in some cases, that had been run by thugs and crooks who had indebted their countries, and these are now countries where people are going without the basic necessities of life because of the need to make debt payments. So a very impressive coalition of religious and charitable and welfare-oriented and private sector groups have come together to press for international debt relief.

Unfortunately, the Committee on Appropriations last year grudgingly voted only some the money that was necessary. This year we were hoping that we could, within the legislative authorization that is already there, get enough money to complete debt relief, debt relief that is being urged by the Pope, by every major religious organization, by every group internationally that cares about alleviation of poverty and fighting disease.

What have we gotten from the majority party? Basically, not very much. The appropriations process is going forward, and so far the result has been an unwillingness to vote the funds for debt relief.

So we ought to be clear. We have people among us, and I am not saying I have not heard from the business community, from all the internationalists, who wanted the World Trade Organization, who wanted permanent trade with China, I have not heard from them. So I have to ask the question, do we have people for whom internationalism and concern for others means a chance to make some money?

Now, making money is a good thing. It helps the people who make it and it helps the rest of us. But when people are internationalists only because they are looking for a chance to increase their profit margins by trade with China, and they are silent when debt relief for desperately poor people in Africa and Asia and elsewhere is denied, I have to say that my guess is we are talking about self-interest, rather than internationalism and concern for the poor. Self-interest is not a bad thing. What is bad here is not the actual motive, but the pretense.

So I would hope that in the spirit of internationalism, I would hope that

this spirit of internationalism turns out to be more than a license to make some more money in China. I would hope that the spirit of internationalism does not turn out to be an understanding of the attractiveness of low-wage, non-environmental, no-OSHA type activities as a place to invest. I would hope it would show as a genuine concern for sharing the vast resources of this country and other wealthy countries with poor people. But so far that is not what is happening. So far, the Subcommittee on Foreign Operations just voted, and essentially voted virtually nothing, I think 20 percent of what was needed for debt relief.

Now, this is poverty alleviation. This is a case of people who are desperately hungry, children who do not have food or medical care, people who do not have shelter; and if the majority party's appropriation goes forward, what little revenue these people are able to get will be extracted for debt payments, debts contracted in many cases by thugs working with irresponsible financial institutions.

So we will have a test over the next month of internationalism. Right now we have a very incomplete internationalism. The rest of the world, poor countries as a venue in which to make money, then we are all for it. And as I said, I think in and of itself making money is a good thing. But when a request for relieving these people of debts, which are grinding them into poverty, debts which are dysfunctional in their impact on these economies, when every significant religious leader, every international-oriented organization, every group concerned with health care and child welfare and food says our highest priority is debt relief, and the majority party responds by saying, Oh, sorry, not this year, then internationalism does not look very good.

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, I thank my good friend from Massachusetts for yielding me time.

Mr. Speaker, as a new Democrat, I rise in strong support of fair trade, not unfettered free trade, and I also rise in support of the rule, but against the underlying bill.

As a fair trader, as a new Democrat who believes that the trade deficit that we seem to build month by month by month is becoming a bigger and bigger problem, but also as a Member of Congress who believes that we need to pry open and penetrate new markets overseas so that we can export products, not jobs, we need a working, viable, reformed, modernized WTO.

□ 0945

Now, the gentleman from Oregon (Mr. DEFAZIO), my good friend, said we need dramatic change in the WTO. I agree. I agree with that statement. I think where we differ is that I believe we need dramatic and fundamental